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18 December 1959

MEMORANDUM FOR: Director, Photographic Intelligence Center

FROM: Special Assistant for Research and Development, PIC

SUBJECT: Summary Report of Trip [REDACTED]

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1. During the first working day, December 7, having established a conference room in [REDACTED] the prime contractor officials assembled at 0900 and a thorough discussion of the terms of reference for the "Design Study of the PI Cell" were reviewed. This took until 12:30 p.m. when the conference was adjourned with the understanding that the prime and subcontractors would meet again on the following morning.

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2. During the afternoon [REDACTED] made a visit to the [REDACTED] The appointment which had been made the previous Friday with [REDACTED] was not kept and instead it was necessary for us to talk with two engineers assigned to the project. The discussion was disappointing in that the true extent of the monetary overrun and the engineering foul-ups were revealed. These, of course, involved the cancelling of the scheduled training period for CIA and SAC people during that week. This training period now will have to be sometime after the first of the year.

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3. Practically all work has ceased except for some engineering time which is being spent in trying to solve some of the minor optical problems which have presented themselves at this late date. It is my belief that the

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project problems were never clearly thought through, or these difficulties would never have occurred. Many excuses were presented, laying the delay in time and the overrun in money to subcontractors, etc., however, much could have been done to properly plan expenditures and subcontract work to minimize, if not eliminate, these delays. On the termination of this meeting the project monitors decided that it was necessary to call for a complete inventory and audit of the contractor's facilities. The first, to determine the amount of Government purchased material which exists at the contractor's facilities and the audit to determine whether the monies allotted to the project have been spent properly. I have the impression that the contractor, feeling that he had security in the fact that we were too far into the project to turn back was giving us less than the best of service, in fact, it was noticeable that the contractor's project managers had been avoiding the project monitors. It became acutely aware that anyone with decision powers were always tied up even though appointments had been arranged far in advance. It is not our intent at this time to actually terminate, but to do what we can to negotiate a legal and proper conclusion to this contract.

4. December 8, conference in the motel. The prime contractor, [REDACTED] and the subcontractors, [REDACTED]

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[REDACTED] assembled in the first joint meeting between the prime and subcontractors. After introduction to and an Agency statement of the problem presented by the project monitors, the prime contractor held a two and one half hour conference with the subcontractors to iron out the remaining financial arrangements. During this time most of the financial agreements were accomplished and the terms of reference as to the scope of work were defined.

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No CIA, PIC representatives remained with them during this period because we felt it was better that they straighten out any difficulties they might have among themselves before we presented the general problem. During this period of time we were occupied talking with [REDACTED]

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[REDACTED] notifying them of the actions we were taking officially by calling for the audit and inventory.

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5. During the afternoon starting at 2:00 p.m., a conference was held with [REDACTED]

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6. A thorough review of the electronic rectifier was presented at this time. It was determined at this time that under the specifications of the current contract with the resolution requirements, the fidelity of geometric transfer, etc., the original estimate of engineering was far below that which it was actually costing and that [REDACTED] would soon be in trouble money-wise. The expected overrun in this area will probably nearly amount to \$50,000 per instrument or a total of \$200,000 for the overall contract. The delivery schedule is estimated now to have slipped from May to July for the first instrument. A long explanation and presentation of the engineering problems, new and more costly instrumentation, etc., took the remaining time allotted for the conference. At the conclusion I requested that [REDACTED] assemble all of the available facts concerning the matter and send them to me in Washington at their earliest convenience. I would call a meeting after the first of January in Washington when these data had been assimilated by the contracting agency and decisions as to where the program would go and under

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what specifications and money allowances they would be allowed to continue work. It was agreed that they would furnish the information and representatives of the company would come to Washington to present the case to the contracting agency in person .

7. Nearly the entire day of December 9 was spent finalizing the wording of the joint agreements made between [redacted] and the contractors and straightening out their work statements. The only real descension occurred between [redacted]

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8. [redacted] tried to convince [redacted] that their contribution in time, engineering and labor was disproportionate with the allotment of funds. They had reached an impasse so it was necessary for the contractor to step in and define the work statement which would be approved by the Agency. This was done by telephone and acceptance of the defined work statement was forthcoming by 12:45 p.m. However, the finalization of this last work statement between [redacted] had to be put off until late the next afternoon. Concurrent with the [redacted] people in a different room several conferences were held with our various contacts [redacted]

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[redacted] spent from about 11:00 until 4:00 p.m. discussing the various aspects of Project [redacted] where the association between [redacted] and the Agency would be beneficial. Just after lunch [redacted] our Logistics representative for about an hour on the details of the [redacted] fiasco in his office to prepare him for his 2 O'clock appointment at the [redacted] plant. It was planned that he would try to negotiate a better relationship and a more realistic money deal with [redacted] people.

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At 16:00 [redacted] discussed

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mutual Agency, [REDACTED] problems with [REDACTED] and myself. We explored the areas of electronic image enhancement, vibration studies, zones of quiet, etc., as well as the secure facsimile communication format and the number of resolution units, etc. we wish to transmit. They promised on the termination of the meeting to send us proposals of the types of things that they could do in these areas.

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9. December 10. [REDACTED]

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met us at 0800 and several topics were discussed including the E-5 shutter and IMC mechanisms, the CAX-12 problem and some detail on the relationship between themselves and [REDACTED]

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10. At 0930 [REDACTED]

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met with us until lunch. During this period we discussed in detail the preparation of identification aids, guided missile sites, installations and complexes, etc. emphasizing those features that could best be interpreted from aerial photography from [REDACTED] broad field of experience during the last ten years as an architectural/engineering firm. In addition, other possible areas where their structural information would be useable would be in uranium production, atomic energy installations, military installations. Especially emphasized were those critical features in each study which deal with the capacity, the production output or in the case of missiles, thrust range and guidance. For example, there is a definite tie between the size of the flame bucket on a missile launcher and its initial thrust, its range, weight, etc. The conclusions drawn from this conference were:

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(a) A list of the major projects in which [] has participated in the past ten years to give us some ideas of the fields in which they have worked which would be of interest to this Agency.

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(b) A representative graphic presentation and textual data of an obvious example of an installation of intelligence interest that they would deliver to us. We could in turn critique this example for content and clarity for them to use as a guide in the future projected work.

(c) A proposal from [] in the area of these graphic presentations for a specified number, cost and production breakdown. This material will be forwarded to the project monitors via []

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11. Conferences after lunch were with []

wherein discussions of the acintillating screen to be used with projection apparatus were held. The R & D prototype which has been produced at [] will be shipped to PIC at no cost to the Government for a practical appraisal by this group.

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12. [] arrived at 1600 to give us his final report of his negotiations with [] etc. He told us that all of the negotiations with the contractors, as far as agreeing with the specifications and the terms of the contract, had been successfully concluded and with the signing of the final papers he awaits the initiation of the actual contract as soon as it is approved here in Washington.

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13. December 11. Most of Friday was spent with []

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[] in negotiating the contract for Computer Programming and with discussions between [] and myself on general

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photographic problems, which he will represent for [redacted] in the future.

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[redacted] gave [redacted] the biographic forms for clearances and a secrecy agreement which he signed and [redacted] now has.

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14. Late Friday afternoon we met with [redacted] briefly, and [redacted] left our group to finish his work with them.

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15. In conclusion we contacted [redacted] to check if there was any need for our coming down, and outside of two or three technical questions which could be answered over the telephone there was none. We departed [redacted] at 10:45 p.m. to return to Washington.

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[redacted] (22 Dec 59)

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